

A G E N D A



Recommendation for Council Action

Austin City Council	Item ID	19139	Agenda Number	140.
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Meeting Date:	9/27/2012	Department:	Economic Growth and Redevelopment
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Subject

Conduct a public hearing and consider an ordinance creating an economic development program with HID Global Corporation and authorizing the negotiation and execution of an Economic Development Agreement with HID Global Corporation.

Amount and Source of Funding

Fiscal Note

There is no unanticipated financial impact. A fiscal note is not required.

Purchasing Language:	
Prior Council Action:	
For More Information:	Kevin Johns, Director, EGRSO / 974-7802; Jacqueline Cullom, Attorney, Legal / 974-2918
Boards and Commission Action:	
MBE / WBE:	
Related Items:	

Additional Backup Information

The Economic Growth and Redevelopment Services Office recommends approval of the proposed ordinance, which authorizes the negotiation and execution of an economic development agreement with HID Global Corporation. Under the proposal, HID Global will establish its Manufacturing and Distribution Center within Austin's Desired Development Zone, invest \$36,000,000 in real and personal property improvements to construct approximately 200,000 square feet of new office and manufacturing space and create at least 276 new jobs. For each year the City, and an independent third-party, verifies that HID Global has performed according to the terms of the agreement, the City will provide annual economic development grants up to 60% of the incremental real and personal City of Austin property taxes paid at HID's Austin-based Manufacturing and Distribution Center. The total estimated amount of annual economic development grants during the agreement over a 10-year period is \$920,576.

The project received the necessary score to be eligible for an economic development grant. Using the WebLOCI fiscal impact software, the net benefits the City of Austin will receive from the project over the agreement term is \$2.2 million. The net benefits amount is calculated after the total estimated economic development grant of \$920,576 million is factored.